



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2013 REGULAR SESSION

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HOUSE BILL NO. 11

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FRIDAY, FEBRUARY 15, 2013

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The following bill was reported to the Senate from the House and ordered to be printed.

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ALISON LUNDERGAN GRIMES  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY L. Adler

1 AN ACT relating to fire protection services.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 →SECTION 1. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO  
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "City" means any city government that maintains a regular fire department  
7 as defined in KRS 95.010(3)(b); and

8 (b) "Fire district" means a fire protection district or a volunteer fire  
9 department district created in accordance with the procedures of KRS  
10 65.182.

11 (2) Except as provided in subsection (4) of this section, a fire district shall not  
12 contain or later include within its boundaries any territory that is located within  
13 the corporate limits of a city. Subject to the limitations of subsections (3) and (4)  
14 of this section, a city shall have the primary right to provide fire service to all  
15 territories located within its corporate limits.

16 (3) (a) In order for a city to assume the provision of fire service to annexed or  
17 newly incorporated territory that is being served by a fire district, the city  
18 shall pay the fire district for the proportionate share of the fire district's  
19 indebtedness that was incurred while the annexed or newly incorporated  
20 territory was included within the fire district.

21 (b) Unless otherwise agreed to in writing by the city and the fire district, the  
22 proportionate share of the fire district's debt attributable to annexed or  
23 newly incorporated territory shall be calculated based upon the ratio of the  
24 total value of taxable real property included within the annexed or newly  
25 incorporated territory to the total value of all taxable real property located  
26 within the entire fire district as it existed prior to the annexation or  
27 incorporation by the city. The resulting quotient shall be multiplied by the

1 fire district's total indebtedness to determine the amount of liability that the  
2 city is responsible for paying to the fire district.

3 (c) Unless otherwise agreed to in writing by the city and the fire district, the city  
4 shall pay the entire amount of the proportionate share of the indebtedness  
5 to the fire district prior to assuming service in the annexed or newly  
6 incorporated territory or shall pay the total amount in equal yearly  
7 installments over no more than three (3) consecutive years. The first  
8 installment shall be due to the fire district prior to the city assuming the  
9 provision of fire services.

10 (d) If a city meets the requirements of this subsection, the annexed or newly  
11 incorporated territory shall be stricken from the boundaries of the fire  
12 district, and the fire district shall no longer be authorized to collect any  
13 taxes from property owners within the stricken territory.

14 (4) A city shall cede its primary right to provide fire services to annexed or newly  
15 incorporated territory located within a fire district if:

16 (a) The city does not comply with the requirements of subsection (3) of this  
17 section to pay the fire district for the proportionate share of the  
18 indebtedness attributable to the annexed or newly incorporated territory;

19 (b) The fire district has no indebtedness at the time of the annexation or  
20 incorporation, and the fire district and city agree in writing that it is in the  
21 best interests of the citizens and property owners within the annexed or  
22 incorporated territory to continue to have fire service provided by the fire  
23 district. The agreement entered into by the fire district and the city may  
24 contain any agreed-upon term, conditions, and limitations; or

25 (c) Any circumstance exists where the fire district and city agree in writing that  
26 it is more appropriate and beneficial to the citizens and property owners  
27 within the territory for the fire district to continue the provision of fire

services within the annexed or newly incorporated territory. The agreement entered into by the fire district and the city may contain any agreed-upon term, conditions, and limitations.

→ Section 2. KRS 75.010 is amended to read as follows:

~~{{(1)}}~~ A fire protection district or a volunteer fire department district may be created in accordance with the procedures of KRS 65.182.

~~{{(2) In no event shall any fire protection district or any volunteer fire department district include within its metes and bounds any territory at that time or thereafter included in any city of this Commonwealth which maintains a "regular fire department," and which city has paid its proportionate share of the indebtedness incurred while such territory was a part of that district.}}~~

→ Section 3. KRS 75.020 is amended to read as follows:

(1) (a) The territorial limits of an established fire protection district, or a volunteer fire department district, as established under KRS 75.010 to 75.080, may be enlarged or diminished in the following way: The trustees of the fire protection district or of the volunteer fire department district shall file a petition in the county clerk's office of the county in which that district and the territory to be annexed or stricken off, or the greater part thereof, is located, describing the territory to be annexed or stricken and setting out the reasons therefor. Notice of the filing of such petition shall be given by publication as provided for in KRS Chapter 424. On the day fixed in the notice, the county judge/executive shall, if the proper notice has been given, and the publication made, and no written objection or remonstrance is interposed enter an order annexing or striking off the territory described in the petition. Fifty-one percent (51%) or more of the freeholders of the territory sought to be annexed or stricken off may, at any time before the date fixed in the notice, remonstrate in writing, filed in the clerk's office, to the action proposed. If such written

1 remonstrance is filed, the clerk shall promptly give notice to the trustees of the  
2 fire protection district, or of the volunteer fire department district, and the  
3 county judge/executive shall hear and determine the same. If upon such  
4 hearing, the county judge/executive finds from the evidence that a failure to  
5 annex or strike off such territory will materially retard the functioning of the  
6 fire protection district or the volunteer fire department district and materially  
7 affect adversely the owners and the inhabitants of the territory sought to be  
8 annexed or stricken off, he or she shall enter an order, granting the annexation  
9 or striking off the territory. In the latter event, no new petition to annex or  
10 strike off all or any part of the same territory shall be entertained for a period  
11 of two (2) years. Any aggrieved person may bring an action in Circuit Court to  
12 contest the decision of the county judge/executive.

- 13 (b) In addition to the provisions of paragraph (a) of this subsection, if the trustees  
14 of a fire protection district or a volunteer fire department district, as  
15 established under KRS 75.010 to 75.080, are seeking to expand territory into  
16 an area served by a fire department created under KRS Chapter 273, then the  
17 trustees shall, prior to executing the provisions of paragraph (a) of this  
18 subsection, enter into a written agreement with the fire chief and the board of  
19 the fire department created under KRS Chapter 273. The agreement shall  
20 establish the proposed new boundary. On the day the agreement is finalized,  
21 the trustees of the district shall send by certified mail, return receipt requested,  
22 or have personally delivered a copy of the agreement to the county  
23 judge/executive of the county containing the territory subject to the expansion.  
24 The notice required in paragraph (a) of this subsection shall, in lieu of the  
25 applicable publication requirements set out in KRS Chapter 424, be published  
26 at least once a week, for a minimum of two (2) weeks. The last publication  
27 shall occur no less than seven (7) days before the date fixed in the notice.

- 1 (c) If the trustees approach the fire chief and board of the fire department created  
2 under KRS Chapter 273 in the manner authorized in paragraph (b) of this  
3 subsection and are unable to reach an agreement within thirty (30) days, the  
4 trustees, or any real property holder of the territory subject to the annexation,  
5 may directly seek permission from the real property holders of that territory to  
6 continue with the annexation procedure set out in paragraphs (a) and (b) of  
7 this subsection by circulating a petition and securing the signatures of at least  
8 fifty-one percent (51%) of the real property holders within that territory. The  
9 petition shall include the residential address of the signer and the date of the  
10 signature. The petition shall be certified by the county clerk if the clerk finds  
11 the petition sufficient in form and requisite amount of signatures.
- 12 (2) The property in any territory annexed to a fire protection district or to a volunteer  
13 fire department district shall not be liable to taxation for the purpose of paying any  
14 indebtedness incurred by the fire protection district or the volunteer fire department  
15 district prior to the date of the annexation of such territory, except such  
16 indebtedness as represents the balance owing on the purchase price of firefighting  
17 equipment. The property in any territory stricken off from a fire protection district  
18 or a volunteer fire department district by the incorporation of or annexation by a city  
19 of this Commonwealth shall not be relieved of liability of such taxes as may be  
20 necessary to pay its proportionate share of the indebtedness incurred while such  
21 territory was a part of that district. Territories stricken by action of the county  
22 judge/executive under the provisions of subsection (1) shall be relieved of liability  
23 for all indebtedness incurred by the fire protection district or the volunteer fire  
24 department district.
- 25 (3) Any city that maintains a "regular fire department," and has either by incorporation  
26 or annexation caused property to be stricken from a fire protection district or a  
27 volunteer fire department district, shall comply with subsection (3) of Section 1 of

1 ~~this Act~~ assume the liability of such taxes as may be necessary to pay the  
 2 proportional share of the indebtedness incurred while such territory was a part of  
 3 said district].

4 (4) The territorial limits of two (2) or more fire protection districts, or volunteer fire  
 5 department districts, as established by KRS 75.010 to 75.080, may be merged into  
 6 one (1) fire protection district or volunteer fire department district as follows:

7 (a) The trustees of each fire protection district or volunteer fire department  
 8 district shall file a joint petition in the county clerk's office of the county in  
 9 which all of the districts and the territory to be merged into one (1) district, or  
 10 the greater part of the district, is located, describing the territory to be merged  
 11 into the district and setting out the reasons for the merger;

12 (b) Notice of the filing of the petition shall be given by publication as provided in  
 13 KRS Chapter 424 for public notices;

14 (c) On the day fixed in the notice, the county judge/executive shall, if proper  
 15 notice by publication has been given, and no written objection or  
 16 remonstrance has been made, enter an order merging the fire protection  
 17 districts or volunteer fire department districts described in the petition;

18 (d) Fifty-one percent (51%) or more of the property owners of the territory sought  
 19 to be merged into one (1) district may, at any time before the date fixed in the  
 20 notice, remonstrate by written petition to the county clerk regarding their  
 21 objection to the merger of the districts. If a petition is filed, the county clerk  
 22 shall give prompt notice to the trustees of the fire protection districts or the  
 23 volunteer fire protection districts and the county judge/executive;

24 (e) The county judge/executive shall schedule a hearing regarding the petition and  
 25 shall give public notice as to the date, time, and place of the hearing. If after  
 26 the hearing, the county judge/executive finds from the evidence that a failure  
 27 to merge the territory will materially retard the functioning of the fire

1 protection districts or volunteer fire department districts and materially affect  
 2 adversely the owners and the inhabitants of the territory sought to be merged,  
 3 he or she shall enter an order granting the merger of the districts into one (1)  
 4 fire protection district or volunteer fire department district; and

5 (f) Any aggrieved person may bring an action in Circuit Court to contest the  
 6 decision of the county judge/executive regarding the merger fire protection  
 7 districts or volunteer fire department districts.

8 (5) The property in any fire protection district or volunteer fire department district  
 9 which is merged with another fire protection district or volunteer fire department  
 10 district shall not be liable to taxation for the purpose of paying any indebtedness  
 11 incurred by the other fire protection district or volunteer fire department district  
 12 prior to the date of the merger into one (1) fire protection district, except  
 13 indebtedness which represents a balance owed on the purchase price of firefighting  
 14 equipment from the other fire protection district or volunteer fire department  
 15 district.

16 ➔Section 4. KRS 75.040 is amended to read as follows:

17 (1) (a) Upon the creation of a fire protection district or a volunteer fire department  
 18 district as provided in KRS 75.010 to 75.031, the trustees of a district are  
 19 authorized to establish and operate a fire department and emergency  
 20 ambulance service as provided in subsection (6) of this section and to levy a  
 21 tax upon the property in the district. Property that may be taxed includes~~[-~~  
 22 ~~including that]~~ property within cities in a fire protection district or a volunteer  
 23 fire department district;~~[-]~~

24 1. As provided by *Section 1 of this Act; or*

25 2. *Within the metes and bounds of a city that does not maintain a regular*  
 26 *fire department as defined by KRS 95.010(3)(b).*

27 *The property taxed shall be subject to county tax, and the tax levied by the*



~~district shall not exceed~~ ~~KRS 75.010(2) provided that the property is subject to county tax, and not exceeding~~ ten cents (\$0.10) per one hundred dollars (\$100) of valuation as assessed for county taxes, for the purpose of defraying the expenses of the establishment, maintenance, and operation of the fire department or to make contracts for fire protection for the districts as provided in KRS 75.050. The rate set in this subsection shall apply, notwithstanding the provisions of KRS 132.023.

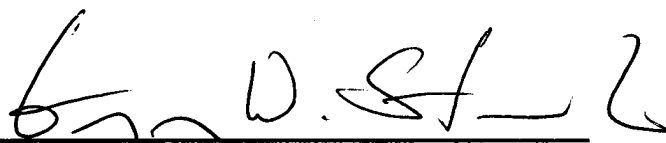
(b) A fire protection district or a volunteer fire department district that establishes and operates an emergency ambulance service and is the primary service provider in the district may levy a tax upon the property in the district not to exceed twenty cents (\$0.20) per one hundred dollars (\$100) of valuation as assessed for county taxes, for the purpose of defraying the expenses of the establishment, maintenance, and operation of the fire department and emergency ambulance service or to make contracts for fire protection for the districts as provided in KRS 75.050. The rate set in this subsection shall apply, notwithstanding the provisions of KRS 132.023.


(2) The establishment, maintenance, and operation of a fire protection district or volunteer fire department district shall include, but not be limited to, the following activities:

- (a) Acquisition and maintenance of adequate fire protection facilities;
- (b) Acquisition and maintenance of adequate firefighting equipment;
- (c) Recruitment, training, and supervision of firefighters;
- (d) Control and extinguishment of fires;
- (e) Prevention of fires;
- (f) Conducting fire safety activities;
- (g) Payment of compensation to firefighters and providing the necessary support and supervisory personnel;

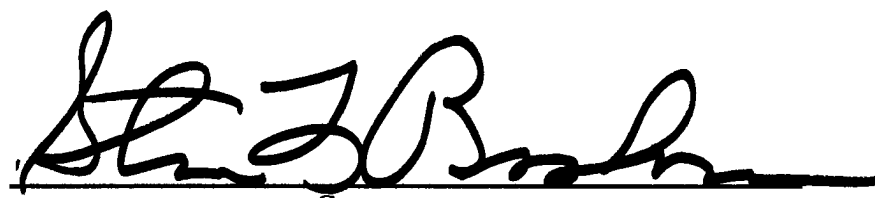
- 1 (h) Payment for reasonable benefits or a nominal fee to volunteer firefighters  
2 when benefits and fees do not constitute wages or salaries under KRS Chapter  
3 337 and are not taxable as income to the volunteer firefighters under Kentucky  
4 or federal income tax laws; and
- 5 (i) The use of fire protection district equipment for activities which are for a  
6 public purpose and which do not materially diminish the value of the  
7 equipment.
- 8 (3) The property valuation administrator of the county or counties involved, with the  
9 cooperation of the board of trustees, shall note on the tax rolls the taxpayers and  
10 valuation of the property subject to such assessment. The county clerk shall  
11 compute the tax on the regular state and county tax bills in such manner as may be  
12 directed by regulation of the Department of Revenue.
- 13 (4) Such taxes shall be subject to the same delinquency date, discounts, penalties, and  
14 interest as are applied to the collection of ad valorem taxes and shall be collected by  
15 the sheriff of the county or counties involved and accounted for to the treasurer of  
16 the district. The sheriff shall be entitled to a fee of one percent (1%) of the amount  
17 collected by him.
- 18 (5) Nothing contained in this subsection shall be construed to prevent the trustees of a  
19 fire protection district located in a city or county which provides emergency  
20 ambulance service from using funds derived from taxes for the purpose of providing  
21 supplemental emergency medical services so long as the mayor of the city or the  
22 county judge/executive of the county, as appropriate, certifies to the trustees in  
23 writing that supplemental emergency medical services are reasonably required in  
24 the public interest. For the purposes of this subsection, "supplemental emergency  
25 medical services" may include EMT, EMT-D, and paramedic services rendered at  
26 the scene of an emergent accident or illness until an emergency ambulance can  
27 arrive at the scene.

1 (6) The trustees of those fire protection districts or volunteer fire department districts  
2 whose districts or portions thereof do not receive emergency ambulance services  
3 from an emergency ambulance service district or, whose districts are not being  
4 served by an emergency ambulance service operated or contracted by a city or  
5 county government, may develop, maintain, and operate or contract for an  
6 emergency ambulance service as part of any fire department created pursuant to this  
7 chapter. No taxes levied pursuant to subsection (1) of this section shall be used to  
8 develop, maintain, operate, or contract for an emergency ambulance service until  
9 the tax year following the year the trustees of the district authorize the establishment  
10 of the emergency ambulance service.

  
\_\_\_\_\_  
Speaker-House of Representatives

  
\_\_\_\_\_  
President of Senate

Attest:   
\_\_\_\_\_  
Chief Clerk of House of Representatives

Approved:   
\_\_\_\_\_  
Governor

Date 3/19/13